

Los Alamos

NATIONAL LABORATORY

memorandum

Business Operations Division
BUS-Division Office

To/MS: Distribution
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Subject: FY97 Indirect Budget Call and Staffing Plan

We are about to begin the process of preparing Indirect Budget requests for Indirect funding for FY97. Similar to last year's Indirect Budget process, we will be defining Indirect as all costs not charged to a Direct program. Indirect will include General and Administrative (G&A), Recharge, and Organizational Support costs. Budget targets will be established consistent with the Laboratory's goal of increasing the scientific and technical to support staff ratio. Indirect Budget requests will be submitted on Work Package Forms and grouped within functional categories. All work packages will be reviewed by the Workforce Productivity Project (WPP) Team in a series of meetings with division directors. The WPP Team will provide its input to the Laboratory Director who will approve each organization's budgetary level.

The Laboratory has established a goal to increase its technical productivity while maintaining required operational standards. A portion of this goal will be achieved by reducing the cost of doing business. FY97 targets for G&A, Recharge, and Organizational Support (to be sent out under separate cover) were developed as the next step of a multi-year effort to achieve this goal. These targets differentiate between Institutional Recharges, which are primarily compliance driven, and Direct Recharges, which are staff demand driven.

Each organization will submit an Indirect Budget request consistent with the established targets. It is recognized that operating at this level may result in adverse impacts. These impacts should be documented as part of the submittal.

New Elements in the Process

This year, all Indirect Budget Call and Staffing Plan documentation is available online on the World Wide Web (WWW). All documents may be viewed or downloaded from the BUS Division Homepage, and division-specific data for certain submittal schedules will be available online as Eudora attachments.

Additionally, the concept of products has been added to the process, to allow us to more clearly evaluate the value of our Indirect expenditures. The need for mutual agreement between the providers of facility management services and tenants on the level and cost of facility management services has also been factored into the process. We are requesting each division to forecast its overall cost and funding outlook for FY97. To enable divisions to prepare this forecast, program offices have agreed to provide each division with a preliminary funding estimate by May 17. Finally, we are requesting that the cost and funding forecasts be integrated into the Staffing Plans.

Staffing Plan

The integration of the Staffing Plan with the funding forecast is a critical step in ensuring that requested staffing levels can be supported. This will require budget analysts and HR generalists to work together. By having program offices provide divisions with a preliminary picture of their funding by May 17, divisions will be better able to make staffing decisions regarding FY97.

The purpose of the FY97 Staffing Plan is two-fold, as follows:

- To provide managers with a tool to evaluate and reconcile their staffing needs relative to their budgets and
- To assess skill needs for FY97 and identify skill gaps and excess skill areas in a timely manner.

Each group- and division-level manager is asked to project his/her staffing needs for the remainder of FY96 and all of FY97. Those needs should be balanced against the program funding matrices provided by the program directors and the anticipated Indirect Budget allocation. An overall staffing picture that accounts for additions and deletions to the organization's workforce should develop. The FY97 ending balance of FTEs in an organization should be equal to or less than the number of supportable FTEs (which is based on the forecasted budget for that organization).

Recognizing that FY97 program funding forecasts are subject to change, managers should plan conservatively for their staffing levels to minimize the impact that unexpected changes in the Indirect Budget could have on their organizations.

As the Laboratory focuses on its tactical goals and core competencies, areas will be identified where the existing workforce lacks the required skills to support new programs. These skill gaps need to be identified to enable the Laboratory to plan for the strategic recruiting of new personnel. Additionally, it is in the Laboratory's best interest to retain those employees who are of greatest value to the organization based on their skills, knowledge, performance levels, etc. The early identification of potential excess skills for FY97 allows the Laboratory the greatest flexibility in dealing with those excesses and the personnel involved. Efforts will be made internally to place employees from unfunded positions into positions that have adequate funding.

Training

To further describe this year's process, a training session for budget analysts and HR generalists will be held on Monday, April 22, from 8:30 a.m. to 11:30 a.m., in the IGPP Conference Room at SM100. The first part of the session, from 8:30 a.m. to 10:30 a.m., will focus on the Indirect Budget submittal. The last hour will be devoted to the Staffing Plan. All affected budget analysts and HR generalists are requested to attend the session. Any other interested parties are also welcome.

Budget Submissions

Please note the following deadlines:

- Indirect Budget submissions (electronic and hard copy) are due to Tim Tuttle or Mary Erwin, BUS-3, MS P274, by COB on Monday, June 3, 1996;
- The FY97 Cost and Funding Forecast (in electronic form) is due to Tim Tuttle or Mary Erwin by COB Friday, July 19, 1996; and
- Staffing Plans are due to Karen Burkett, HR Staffing, MS P298, by COB Friday, July 5, 1996. Questions regarding Staffing Plans and the associated forms should also be addressed to Karen Burkett at 665-5308.

If you should have any other questions, contact Tim Tuttle at 665-7096 or Mary Erwin at 665-8083.

AFJ:TT/nev

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File, w/attachments